

AN ACT

relating to the creation, operation, and funding of the urban farm microenterprise support program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Title 3, Agriculture Code, is amended by adding Chapter 44A to read as follows:

CHAPTER 44A. URBAN FARM MICROENTERPRISE SUPPORT PROGRAM

Sec. 44A.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the Texas Agricultural Finance Authority.

(2) "Microenterprise" means a small business in which the owner operates the enterprise.

(3) "Urban area" means an area inside the boundaries of a municipality with a population of 500,000 or more.

Sec. 44A.002. CREATION OF URBAN FARM MICROENTERPRISE SUPPORT PROGRAM. (a) The board shall create an urban farm microenterprise support program to provide financial assistance to microenterprises in urban areas that are primarily engaged in:

(1) research into processes and technology related to agricultural production in an urban setting;

(2) the production or development of tools or processes for agriculture in a manner suited for an urban setting;
or

(3) agricultural activities in a manner suited for an

1 urban setting.

2 (b) No state money may be used for purposes of the program.

3 Sec. 44A.003. URBAN FARM MICROENTERPRISE SUPPORT PROGRAM

4 LOANS. (a) On the receipt of gifts and grants of money under
5 Section 44A.004, the board shall establish and implement a loan
6 program supporting established and proposed urban farm
7 microenterprises in urban areas by providing loans to expand,
8 modernize, or otherwise improve the established microenterprises
9 and to begin operation of proposed microenterprises.

10 (b) An applicant applying on behalf of a proposed
11 microenterprise may receive a loan of up to \$25,000 to begin
12 operation of the microenterprise.

13 (c) An applicant applying on behalf of an established
14 microenterprise may receive a loan of up to \$50,000 to expand,
15 modernize, or otherwise improve an established microenterprise.

16 (d) The board may reserve a portion of the total fund for use
17 in cooperative loan programs established with the participation of
18 other public or private lenders.

19 (e) The board by rule may provide for the administration by
20 a private or public entity of the loans awarded under the loan
21 program.

22 Sec. 44A.004. MONEY FOR LOANS. The board may accept gifts
23 and grants of money from the federal government, local governments,
24 or private corporations or other persons for use in making loans
25 under the urban farm microenterprise support program.

26 Sec. 44A.005. URBAN FARM MICROENTERPRISE DEVELOPMENT FUND.
27 The urban farm microenterprise development fund is a fund in the

1 comptroller's office. The following shall be deposited to the
2 credit of the fund:

3 (1) amounts received by the state for loans made under
4 the urban farm microenterprise support program;

5 (2) money received in repayment of loans made under
6 the program; and

7 (3) other money received by the board for the program
8 and required by the board to be deposited in the fund.

9 SECTION 2. This Act takes effect September 1, 2011.

H.B. No. 2994

David Dewhurst

President of the Senate

Joe Straus

Speaker of the House

I certify that H.B. No. 2994 was passed by the House on May 11, 2011, by the following vote: Yeas 126, Nays 23, 1 present, not voting.

Robert Haney

Chief Clerk of the House

I certify that H.B. No. 2994 was passed by the Senate on May 25, 2011, by the following vote: Yeas 27, Nays 3.

Betsy Spaw

Secretary of the Senate

APPROVED: 17 JUN '11

Date

Rick Perry

Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
4:00 PM O'CLOCK

JUN 17 2011

Boyd Rutherford

Secretary of State